

SPECIFIC SANCTIONS/PENALTIES FOR EXCEEDING THE SINGLE BORROWER'S LIMIT

BSP CIRCULAR NO. 1295, July 16, 1991

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The Monetary Board, in its Resolution No. 716 dated June 28, 1991, approved the following specific sanctions/penalties for exceeding the single borrower's limit and the incorporation thereof in the Manual of Regulations for Banks and Other Financial Intermediaries, by adding —

Subsection 1301.4 after Subsection 1301.3 (Book I);
Subsection 2301.5 after Subsection 2301.4 (Book II);
Subsection 3301.8 after Subsection 3301.7 (Book III);
Subsection 4301Q.3 after Subsection 4301Q.2 (Book IV);

as follows:

“_____ Sanctions — Violations of the provisions of the foregoing rules shall be subject to the following sanctions/penalties:

a. Monetary Penalties

First Offense

Fines of five hundred pesos (P500) a day, reckoned from the date excess started up to the date when excess was eliminated, for each violation shall be assessed on the bank.

Subsequent Offenses

Fines of five thousand pesos (P5,000) a day, reckoned from the date excess started up to the date when excess was eliminated, for each violation shall be assessed on the bank.

b. Other Sanctions

First Offense

Reprimand for the directors/officers who approved the availment which resulted to an excess with a warning that subsequent violations will be subject to more severe sanctions.

Subsequent Offenses

1. Suspension for 90 days without pay for directors/officers who approved the availment which resulted to an excess.
2. Suspension of the bank from branching out and availment of Central bank rediscounting facilities until excess is eliminated.

This Circular shall take effect immediately.

Adopted: 16 July 1991

(SGD.) JOSE L. CUISIA, JR.

Governor

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